

IC 6-1.1-20.6**Chapter 20.6. Credit for Excessive Residential Property Taxes****IC 6-1.1-20.6-1****"Apartment complex"**

Sec. 1. As used in this chapter, "apartment complex" means real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more.

As added by P.L.246-2005, SEC.62.

IC 6-1.1-20.6-2**"Homestead"**

Sec. 2. As used in this chapter, "homestead" has the meaning set forth in IC 6-1.1-20.9-1.

As added by P.L.246-2005, SEC.62.

IC 6-1.1-20.6-3**"Property tax liability"**

Sec. 3. As used in this chapter, "property tax liability" means liability for the tax imposed on property under this article determined after application of all credits and deductions under this article, except the credit under this chapter, but does not include any interest or penalty imposed under this article.

As added by P.L.246-2005, SEC.62.

IC 6-1.1-20.6-4**"Qualified residential property"**

Sec. 4. As used in this chapter, "qualified residential property" refers to any of the following that a county fiscal body specifically makes eligible for a credit under this chapter in an ordinance adopted under section 6 of this chapter:

- (1) An apartment complex.
- (2) A homestead.
- (3) Residential rental property.

As added by P.L.246-2005, SEC.62.

IC 6-1.1-20.6-5**"Residential rental property"**

Sec. 5. As used in this chapter, "residential rental property" means real property consisting of not more than (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more.

As added by P.L.246-2005, SEC.62.

IC 6-1.1-20.6-6**Requirement for credit; adoption of ordinance; county fiscal body**

Sec. 6. (a) A county fiscal body:

- (1) may adopt an ordinance to authorize the application of the credit under this chapter for one (1) or more calendar years to

qualified residential property in the county; and

(2) must adopt an ordinance under subdivision (1) before July 1 of a calendar year to authorize the credit under this chapter for property taxes first due and payable in the immediately succeeding calendar year.

(b) An ordinance adopted under this section must specify the categories of residential property listed in section 4 of this chapter that are eligible for the credit provided under this chapter.

As added by P.L.246-2005, SEC.62.

IC 6-1.1-20.6-7

Calculation of credit

Sec. 7. If the credit under this chapter is authorized under section 2 of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's qualified residential property located in the county; and

(2) the amount of the credit is the amount by which the person's property tax liability attributable to the person's qualified residential property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the qualified residential property for property taxes first due and payable in that calendar year.

As added by P.L.246-2005, SEC.62.

IC 6-1.1-20.6-8

Exemption from filing requirement

Sec. 8. A person is not required to file an application for the credit under this chapter. The county auditor shall:

(1) identify qualified residential property in the county eligible for the credit under this chapter; and

(2) apply the credit under this chapter to property tax liability on the identified qualified residential property.

As added by P.L.246-2005, SEC.62.

IC 6-1.1-20.6-9

Option to borrow money to replace lost revenue

Sec. 9. (a) The fiscal body of a county may adopt an ordinance to authorize the county fiscal officer to borrow money repayable over a term not to exceed five (5) years in an amount sufficient to compensate the political subdivisions located wholly or in part in the county for the reduction of property tax collections in a calendar year that results from the application of the credit under this chapter for that calendar year.

(b) The county fiscal officer shall distribute in a calendar year to each political subdivision located wholly or in part in the county loan proceeds under subsection (a) for that calendar year in the amount by

which the property tax collections of the political subdivision in that calendar year are reduced as a result of the application of the credit under this chapter for that calendar year.

(c) If the county fiscal officer distributes money to political subdivisions under subsection (b), the political subdivisions that receive the distributions shall repay the loan under subsection (a) over the term of the loan. Each political subdivision that receives a distribution under subsection (b):

(1) shall:

(A) appropriate for each year in which the loan is to be repaid an amount sufficient to pay the part of the principal and interest on the loan attributable to the distribution received by the political subdivision under subsection (b); and

(B) raise property tax revenue in each year in which the loan is to be repaid in the amount necessary to meet the appropriation under clause (A); and

(2) other than the county, shall transfer to the county fiscal officer money dedicated under this section to repayment of the loan in time to allow the county to meet the loan repayment schedule.

(d) Property taxes imposed under subsection (c)(1)(B) are subject to levy limitations under IC 6-1.1-18.5 or IC 6-1.1-19.

(e) The obligation to:

(1) repay; or

(2) contribute to the repayment of;

the loan under subsection (a) is not a basis for a political subdivision to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 6-1.1-19.

(f) The application of the credit under this chapter results in a reduction of the property tax collections of each political subdivision in which the credit is applied. A political subdivision may not increase its property tax levy to make up for that reduction.

As added by P.L.246-2005, SEC.62.